

Cp553.28
C29

Carolina Petroleum Co.

The Library
of the
University of North Carolina



Collection of North Caroliniana

This book was presented

by

S. U. Pickens Estate

Cp 553.28

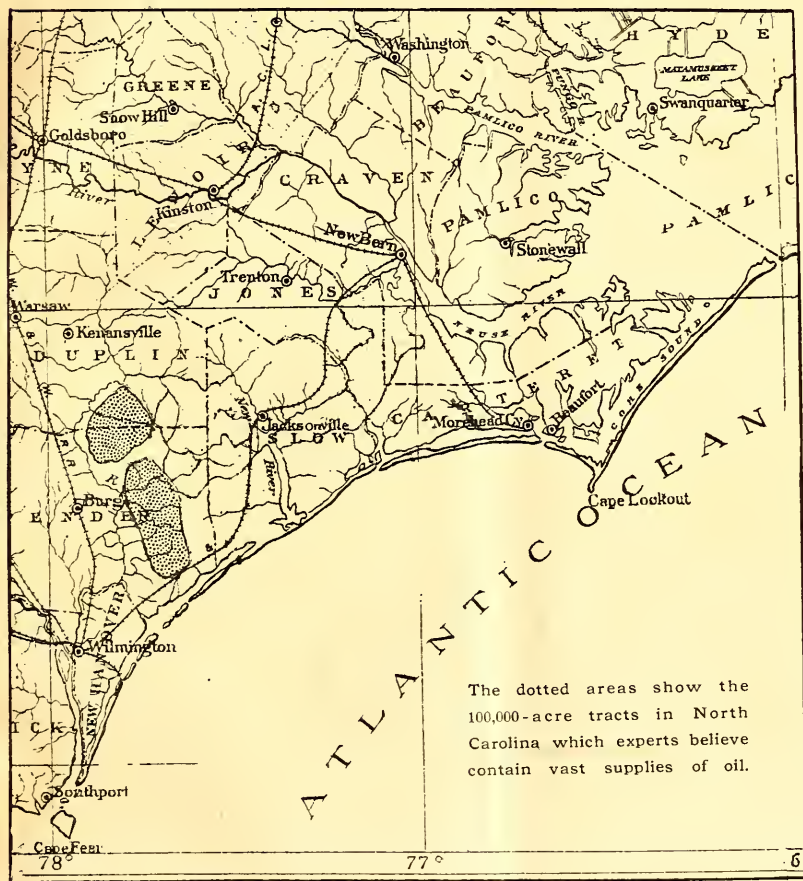
C29

Photomount
Pamphlet
Binder
Laylord Bros., Inc.
Makers
Syracuse, N. Y.
PAT. JAN 21, 1908

Carolina Petroleum Company

DETAILS OF ITS PLAN TO DEVELOP

Oil Fields Along the Atlantic



CAROLINA PETROLEUM COMPANY

SOUTHERN BUILDING, WASHINGTON, D. C.

PREPARED AND PUBLISHED BY
WALL STREET PUBLICITY, INC.
280 BROADWAY, NEW YORK CITY

The Carolina Petroleum Company Plans to Develop Great Oil Fields Along the Atlantic Coast

THE press announcements of the plans of the Carolina Petroleum Company to develop the neglected oil possibilities of large districts in North Carolina which are in contact with tide water have aroused lively public interest.

For more than a generation it has been locally recognized that many indications point to the existence of petroleum in large quantities under the tracts now selected for development. It has remained for Mr. Royal C. Remick of Washington, D. C., to take advantage of the hints which nature offers.

It is impossible to exaggerate the profits which will accrue from the discovery of oil in the extensive tracts which are under the control of the Carolina Petroleum Company, of which Mr. Remick is the active head. This corporation is organized on such a basis that the bringing in of a single well of average flow will amply reward those who participate in its financiering.

The Carolina Petroleum Company controls under lease of oil and mineral rights 100,000 acres of land on tide water near Wilmington, N. C., and after the bringing in of the initial well hundreds of others may be brought in without lessening the flow of any of those located in this wide area.

If the expectation of geologists and oil experts are even partly realized, this North Carolina enterprise is certain

054819

to play an important part in the future of oil production. It will operate in an area exceeding 155 square miles. If even a fraction of this tract proves productive, the oil output should be great. Fields limited to a few acres often produce thousands of barrels.

The stupendous and seemingly permanent rise in the price of crude oil and its products will later be considered in detail in this prospectus. It is sufficient now to state that oil brought to the surface in North Carolina and in contact with water carriage to New York and the other great eastern markets would yield to the Carolina Petroleum Company profits of not less than \$2.50 a barrel at the present prices.

A daily production of 20,000 barrels would thus net to the company daily profits of \$50,000, and annual profits of \$18,250,000.

Startling as are these estimated profits, it should be considered that such a new output of 20,000 barrels a day will meet only about one per cent. of the existing demand for petroleum and its products in the United States alone. It is doubtful if a daily output of 100,000 barrels on the 100,000 acres controlled by the Carolina Petroleum Company would have any decided effect in lowering market prices for oil.

Frederick Upham Adams, author and financial expert, in an article published on March 21 in the *New York Morning Telegraph*, presents this interesting and unbiased account of this enterprise, under the caption "Oil Along the Atlantic Coast."

NORTH CAROLINA is taking an energetic initiative in the development of oil fields in sections adjacent to the Atlantic Ocean. There is every indication that projects now under way will realize the dream of the discovery of petroleum in large quantities in districts east of the Appalachian Range.

Such a development of oil fields with direct water transportation to the great eastern markets will effect a

startling revolution in this industry. The signs have long been unmistakable that oil in vast quantities lies beneath the surface in certain districts in North Carolina, and doubtless in other sections near the coast as far south as Florida.

The most promising district, and the one in which adequate capital will be expended, is situated in North Carolina in a broad section extending from Wilmington of that state in a northeasterly direction for 70 miles or more. Cape Fear River flows from the mountains into the Atlantic at Wilmington and is navigable for 50 miles from its mouth. The river thus taps the section which has been selected for oil development, and renders it practical at slight expense to insure water carriage for such oil production.

For more than a generation residents of Onslow, Pender and Duplin Counties have been convinced that oil lies beneath the knolls and ridges which mark this area. All through this district there are unmistakable indications of oil seepages. Many of the brooks which run through this section bear on their surface thin films of oil.

When Royal C. Remick and other interests acquired a tract of 100,000 acres of such land in Pender County in 1916, the purchasers gave little thought to its oil possibilities. Mr. Remick originally saw in it a combined cattle and lumber enterprise. It was not until he began a thorough exploration of this newly acquired property that he became interested in the most promising opportunity it offered for oil production.

INDICATIONS OF PETROLEUM

Mr. Remick found that the natives, and especially the negroes, regarded this section with fear and superstition. They told stories of happenings which were unexplainable to them; of strong odors, noxious vapors and of other mysterious manifestations.

Investigation proved that most of this apprehension arose from oil seepages in various localities. The natives also complained of the difficulty in sinking wells in which the water would not be impregnated with substances strange to them. It was ascertained that many of such wells had

tapped strata through which petroleum seeped in considerable quantities, and in many cases the walls of these wells showed deposits of paraffin.

These indications of petroleum are not confined to the land. The steamers which skirt these coasts south of Cape Hatteras often pass through extensive areas in which water is covered with an oily scum. Not long ago a steamer headed for New York passed through an area so heavily covered with oil that its captain assumed that one of the Standard Oil Company's tankers had been lost in the storm which had swept this coast. On his arrival in New York he thus notified the Standard Oil Company and asked if any of their ships had been lost. He was informed to the contrary.

The crews of the fishing boats which operate in the more shallow waters along these shores are familiar with this phenomenon of surface oil. Geologists who have investigated this matter are of the opinion that there is a fault in the limestone strata through which the oil seeps and is thus carried by winds, tides and the Gulf Stream in various directions.

Chemical tests of these land and water seepages prove beyond question that they contain petroleum. The consensus of opinion of those, experts who have investigated this property, is that indications of oil in paying quantities are so numerous and convincing as to warrant a comprehensive attempt to develop an oil field in this section, and it is for that purpose that Royal C. Remick and other financiers have founded the Carolina Petroleum Company and will place back of it an amount of capital adequate for development purposes.

A LONG NEGLECTED OPPORTUNITY

It is rather an astounding fact that this is the first real effort to bring into production an oil field along the Atlantic coast. There are many geological reasons why petroleum should be located as readily east of the Alleghany Mountains as to the west of it. Practically all of the geological manifestations which led experts to drill for oil in Louisiana, and the Gulf Coast of Texas and Mexico are duplicated in the large areas owned or controlled by the Carolina Petroleum Company.

In fact, it was the phenomenon of oil on the surface of the Gulf of Mexico at points along the Texas and Mexican coasts which led to the drilling of wells in districts which now supply millions of barrels annually to those who took advantage of this plain hint. Not even the original Pennsylvania fields showed a greater amount or a more general distribution of seepage than does the 100,000 acre tract in which the original wells will be sunk by the Carolina Petroleum Company.



Open storage in a Texas oil field

It is true that a few attempts have been made in places along the Atlantic coast to sink oil wells, but in none of them did the drillers penetrate to the depth at which oil ordinarily is found. A scantily financed company sank a well 1,000 feet deep a number of years ago near Norfolk, and then quit. Other prospectors have drilled a few hundred feet and then abandoned the attempt. Oil experts who have investigated this North Carolina project believe that oil should be found at a depth of from 2,500 feet to possibly 4,000 feet, and such will be the policy of the Carolina Petroleum Company.

The company has acquired the lease of the 100,000 acre tract and may secure other large tracts along the route of the Atlantic Coast Line Railway from Wilmington to New Bern, a distance of nearly 70 miles. The original wells will be sunk in Pender County and in close contact with the navigable Cape Fear River.

The raw product of these wells will thus be nearer the New York market than those of any other field. The entire district is tapped both by water and rail transportation. This insures that the company will not be required to construct any extensive pipe lines in order to reach tidal water. The corporation will therefore not be obliged to expend the millions of dollars usually involved in the construction and operation of such pipe lines.

It cost one Texas Company recently more than \$5,000,000 to connect its field with tide water. These North Carolina tracts are on tide water, which means a stupendous and lasting advantage, and one rarely possessed.

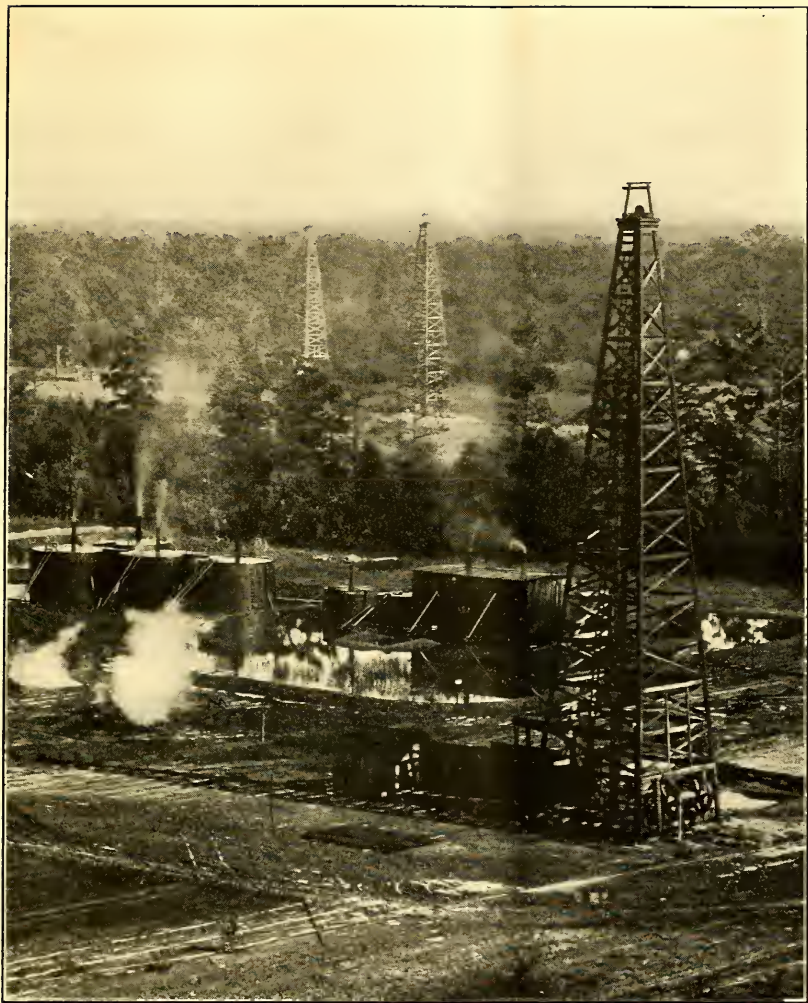
This exemption from pipe line expense means an added profit of from fifty cents to one dollar a barrel for all oil produced in these fields because of their direct water communication to the great markets of New York and other eastern centers of consumption.

More than that, negotiations have been entered into by which a refinery will be erected in these North Carolina fields when the production warrants.

DRILLING IN OTHER SECTIONS

Other financial interests in South Carolina, Georgia, and Florida accept the opinion of geologists and oil experts to the effect that petroleum exists in paying quantities in various sections and are now drilling for it or preparing to begin such operations.

The drilling operations of the Carolina Petroleum Company will be under the direction of the most capable and experienced staff obtainable. The company will not risk its future on the success or failure of a single well, but will be in a financial position to make a thorough test of possibilities in which every indication holds out promise.



A developed Oklahoma oil field

Royal C. Remick, President of the Carolina Petroleum Company, has devised and put into operation a plan of financing this enterprise of an unusual and attractive nature. While, as stated, everything points to the conclusion that oil exists and can be found in these tracts, Mr. Remick is frank to admit that this enterprise is speculative in its character, and that the opinion of the oil experts may be set aside by actual results.

“SAFETY IN OIL”

He has therefore adopted a plan which he calls “Safety in Oil.” Under this plan every dollar originally invested in stock of the Carolina Petroleum Company will eventually be returned to the subscriber, regardless of whether or not oil is struck or whether a dollar of earnings ever is available for dividends.

This seems rather a startling proposition. It sounds impossible, but it is not. It is a plain, straight, practical and scientific though novel expedient of finance. Please follow closely this explanation of the plan adopted:

The Carolina Petroleum Company is incorporated with an authorized capital stock of \$5,000,000. Its officers are: Royal C. Remick of Washington, D. C., President; A. B. Williams, of Washington, D. C., formerly of Wilmington, North Carolina, Vice-president; and D. K. Cowen, of Washington, D. C., Secretary and Treasurer. G. S. Ferguson, Jr., of Washington, D. C., formerly of Greensboro, N. C., has been employed as General Counsel.

This company now offers to the public \$1,000,000 of its treasury stock in denominations of ten dollars a share at par. Arrangements have been made by which the Merchants Bank of Washington, D. C., acts as its transfer agency and general depository for subscriptions forwarded. The financial plan adopted may be illustrated by assuming that John Smith, of any community, desires to acquire 100 shares of this stock of a par value of \$1,000. He thus proceeds:

He forwards to the Merchants Bank of Washington his check or money order for \$1,000. He receives in return from the bank 100 shares of the common stock of the Carolina Petroleum Company. He receives through the Merchants Bank of Washington a certificate of deposit issued by a responsible trust company stating that the \$1,000 will be returned to him or his heirs at the end of six years.

John Smith thus becomes the outright owner of stock of the par value of \$1,000 and he also has \$1,000 in cash coming to him at the end of six years. So far as this \$1,000 in cash is concerned neither John Smith nor the bank nor any other interest is concerned in any way with the outcome

of the oil fields of the Carolina Petroleum Company. In the event that oil is not struck after extensive drilling, John Smith merely loses the interest which would have accrued to him during a six year period—but John Smith will get back every penny of his \$1,000 when that six year period has elapsed.

AN ATTRACTIVE PROPOSITION

Again, the vast tracts of land under lease to the Carolina Petroleum Company may and likely will verify the expectations of oil experts and develop into a productive field, in which event John Smith's 100 shares of stock will become of decided value and will return to him annually dividends which will insure to him and his a competence. Yet, at the end of six years, he will receive from the bank every dollar of the amount originally advanced by him in this enterprise.

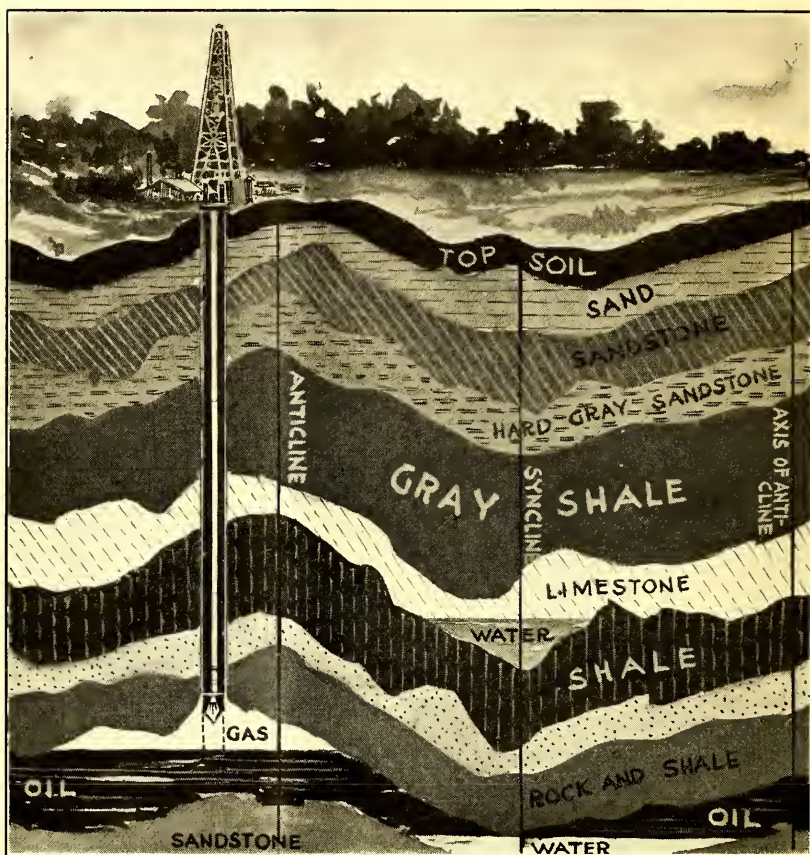
In other words, John Smith trades the interest earning capacity of \$1,000 for six years in exchange for the speculative worth of \$1,000 of the common stock of the Carolina Petroleum Company. He does not permanently surrender his equity in a dollar of his money. He limits his loss to the amount he might derive from \$1,000 placed at interest. That might range from \$250 to \$300. Again, in the meantime, he might make a bad venture and lose all of it, or he might squander it in various ways, in place of which he hands it over to a responsible bank or trust company which guarantees to return it to him intact when six years have passed.

"But," asks the puzzled investor, "how does this finance your oil enterprise and open these tracts to production?"

The answer is found in a consideration of the magic power of interest paid on money. Through the instrumentality of the Carolina Petroleum Company there will be turned over to the Merchants Bank of Washington, and to other banks which will co-operate in this undertaking, the amount of one million of dollars. These banks will have the use of this fund for six years.

They therefore have agreed with the Carolina Petroleum Company to discount this million of dollars at the annual rate of four per cent compounded. This will turn into the

treasury of the Carolina Petroleum Company a cash fund of about \$212,500 which will be expended by it in the sinking of wells and in the further development of its properties.



Geological conditions under which oil is discovered.

The banks and trust companies will derive their profits from excess interest returns.

There has thus been adopted by the Carolina Petroleum Company a new system for the promotion and development of such enterprises; one in which the participants are absolutely insured against the loss of their principal and in which the risks inseparable from the launching of this class of enterprises are confined merely to the sacrifice during a limited period of the interest on the money advanced.

UNDERWRITING YOUR OWN STOCK

Most speculative enterprises are handled by promoters or brokerage houses who underwrite them on a basis by which from forty per cent. to sixty per cent. of the stock is diverted to them. Under the plan installed by Mr. Remick, the investor practically underwrites his own stock, and thus receives all of the benefit and profits which usually accrue when a promotion is a success. The plan justifies Mr. Remick's title for it, "Safety in Oil." Only \$1,000,000 of the \$5,000,000 in capital will be offered under this plan.

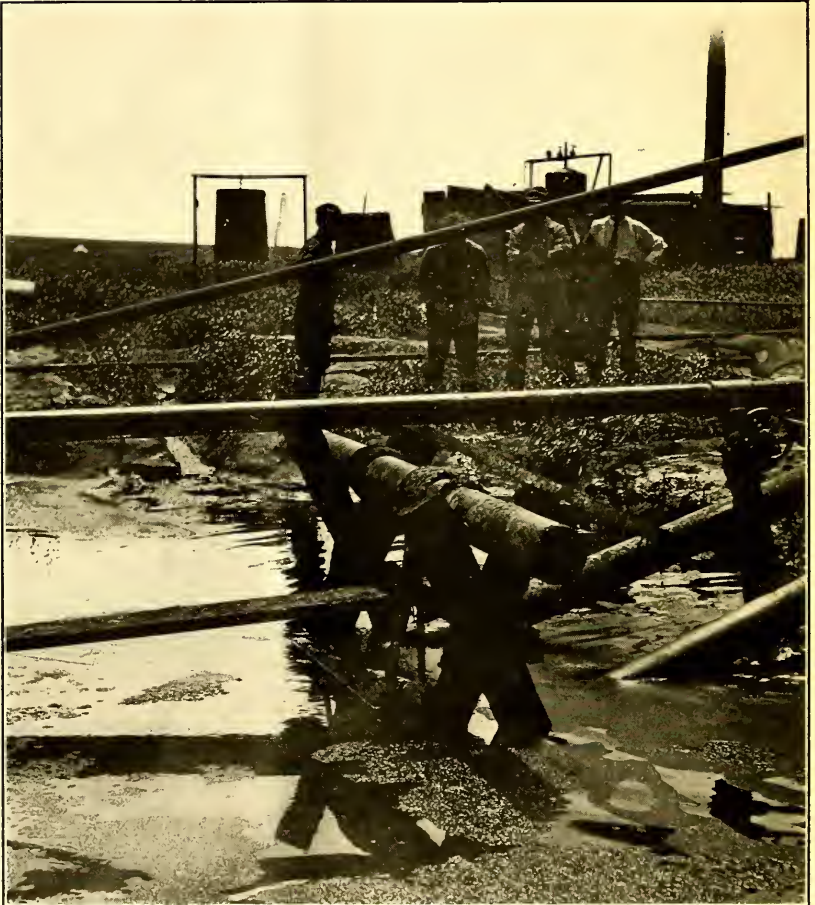
It is impossible to exaggerate the importance or to overestimate the profits which will result from the development of an oil field in contact with water transportation to Atlantic ports. The Carolina Petroleum Company has acquired or will acquire other leases as fast as possible of tracts which capable experts declare are oil-bearing. With petroleum selling in Pennsylvania at more than six dollars a barrel even a single well with a capacity of 1,000 barrels a day would make possible the payment of very large annual dividends. The discovery of one such well would insure the speedy development of a single section of these fields to a production of from ten to twenty thousand barrels a day.

There is a tremendous advantage in the control of a huge tract of land as compared with the ownership of a few acres even in proven oil territory. It has repeatedly been demonstrated in Texas and elsewhere that the excessive drilling of wells speedily lowers the oil pressure and depletes the flow. The Carolina Petroleum Company controls land on which to sink hundreds of wells without restricting the flow of any individual well.

The enterprise thus described is similar in many ways to that of the Texas & Pacific Coal Company in its original form. The stock of this corporation was comparatively valueless when it was operated as a coal proposition, but when oil was struck on its property the stock jumped from \$1.50 a share to over \$2,000 in a very short time.

With oil selling at six dollars a barrel—many times its price a few years ago—and with the oil authorities predicting that oil will be exhausted within 27 years if we depend on

existing fields, the coming development of these tracts in North Carolina and further south will be followed by the trade and the public with vivid interest. The investing public is likely to support a project in which the chances of loss of the fund originally invested are absolutely eliminated, and in which probable success is sure to be most bountifully rewarded.



Familiar scene when big well is brought in

THE THREATENED OIL FAMINE

THE crisis in oil production is so acute that producers and investors should omit no effort to bring in new supplies of this now precious petroleum. It is the simple truth to assert that the world is menaced by an oil famine, and that such a famine long continued would precipitate dire industrial and financial disaster.

The United States is not producing enough oil even for its own purposes. In 1919 this country consumed about 418,000,000 barrels of crude oil and produced only 376,000,000 barrels. It is conservatively estimated that we will require 450,000,000 barrels this year, and that in 1925 the demand will call for not less than 650,000,000 barrels. Where is it to come from?

A few years ago gasoline sold at retail as low as 8 cents a gallon. It is now selling at 32 cents, a rise of 400 per cent. The use of fuel oil for heating purposes is an assured success, and will impose a further terrific strain on the already inadequate supply. The crude oil production of the world in 1918 was 514,729,354 barrels, an increase of only 8,026,452 barrels over the preceding year.

Not so many years ago crude oil sold for 25 cents a barrel and even lower. The following dispatch to the New York Sun is a startling indication of the price revolution which has taken place since then:

“WASHINGTON, March 16.—Navy Department officials were staggered today when bids for the supply of fuel oil for the navy were opened and it was discovered that of the 5,000,000 barrels sought bids to supply only 660,000 barrels had been sent in. The prices fixed were:

“For 60,000 barrels, \$3.65 a barrel, Standard Oil Company;

“For 600,000 barrels, \$4.20 a barrel, Texas Oil Company.

"The last price paid by the Government for oil of the same standard quality was 83 cents a barrel. The highest price ever paid by the Government since fuel oil came into general use was \$1.30 a barrel. The minimum pre-war price was 64 cents a barrel

"Assistant Secretary of the Navy Roosevelt suggested that it might become necessary to declare an embargo on the export of fuel oil to bring producers and refiners to terms."

In a quest to meet the ever increasing demand for oil there are being expended millions of dollars on the investigation of tracts in Colombia, Venezuela, and in other parts of South America. The indications of oil on the huge tracts controlled by the Carolina Petroleum Company are in many respects as marked as those found in these far-distant foreign countries, and the saving from freight and from other items of expense is obvious.

Under the remarkable and unprecedented conditions thus described it is difficult to set a limit on the profits which may be expected with the discovery of oil in these North Carolina tracts. Only \$1,000,000 of stock is offered for subscription on the basis stated. One well of the flow of 1,000 barrels a day should bring to the corporation an annual profit of more than \$900,000 from such a single source. Success in oil development now means annual profits exceeding 100 per cent. on new enterprises honestly financed.

But, as has been stated, if these hopes prove delusive, the investors in the stock of the Carolina Petroleum Company will receive back every dollar of their original subscriptions without interest at the end of a period of six years.

Further details and any information required will be forwarded promptly on application to

THE CAROLINA PETROLEUM COMPANY
Southern Building, Washington, D. C.

FOR USE ONLY IN C
THE NORTH CAROLINA COLLECTION
